

# Local Revenue Capacity



***ECONOMIC DEVELOPMENT AND  
GLOBAL ENGAGEMENT***

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FISCAL RESEARCH DIVISION***

# Local Revenue Capacity



- State and local spending requirements
  - Mandated
  - Discretionary
- Local funding sources
  - Property Tax
  - Sales Tax
  - Utility Fees
  - Occupancy Taxes
- Local revenue generating capacity

# Government Responsibilities



## State

- May enact any laws, except as limited by federal law and the NC Constitution

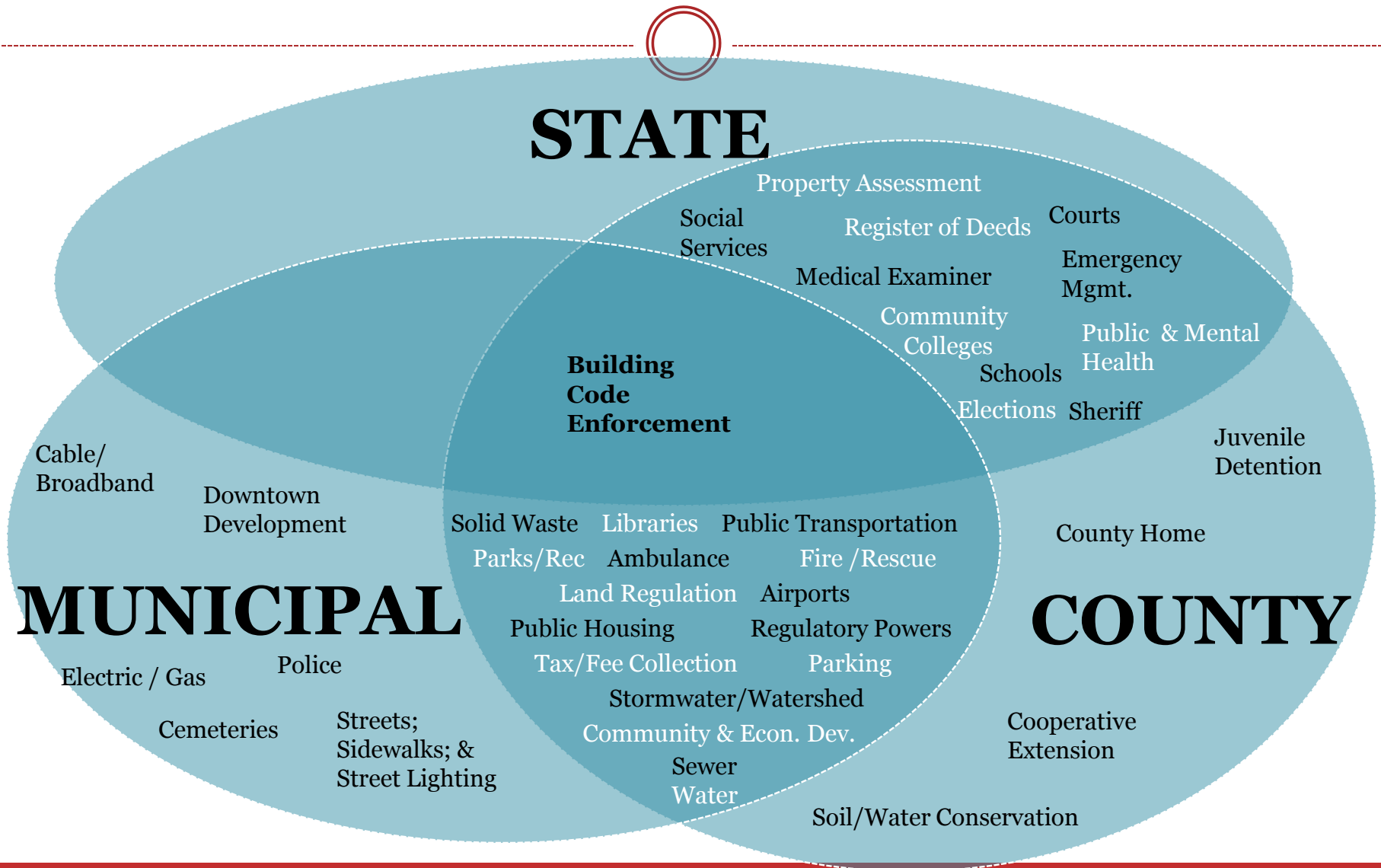
## County

- May only take actions specifically authorized by the General Assembly

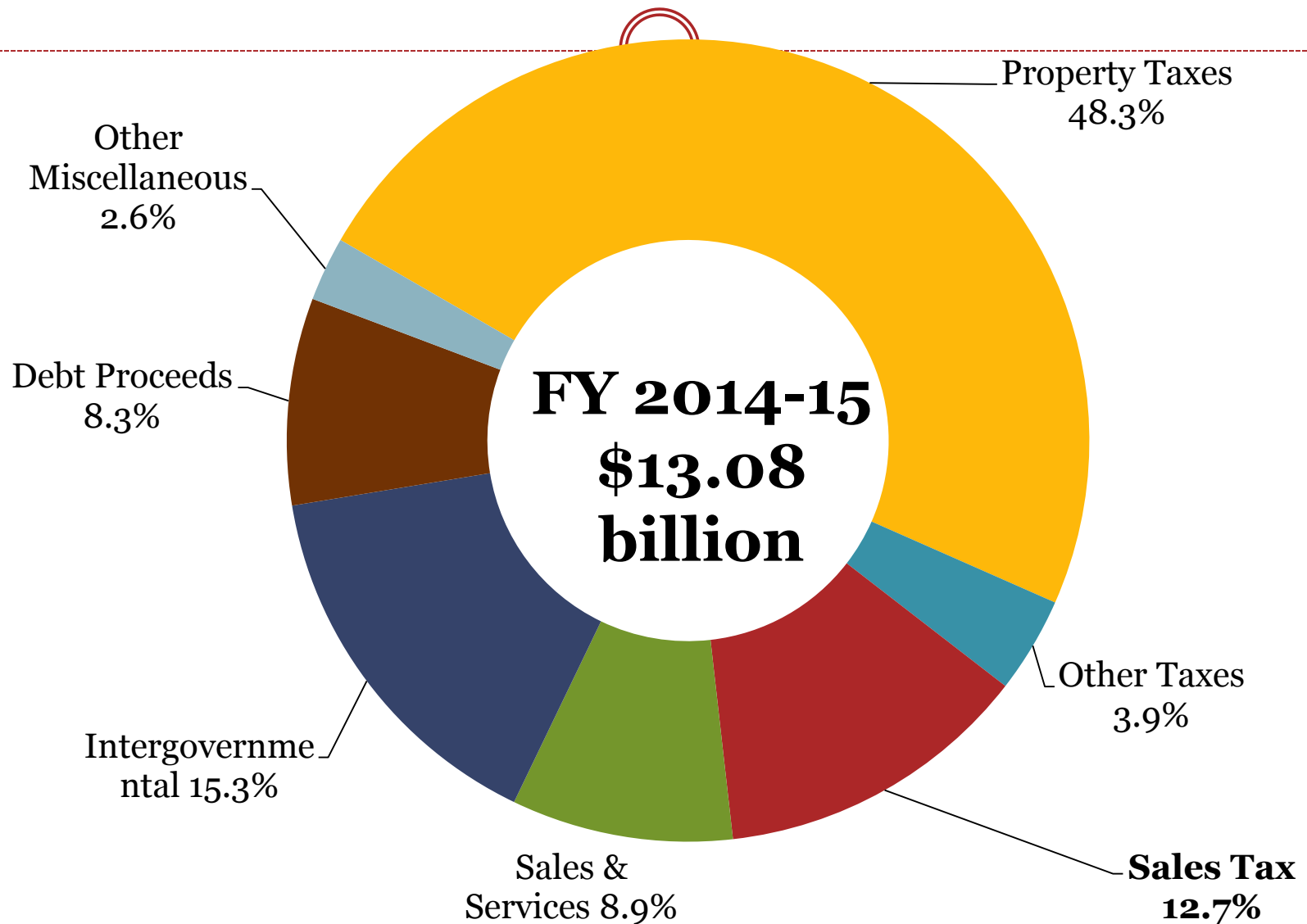
## City

- May only take actions specifically authorized by the General Assembly

# Governmental Responsibilities

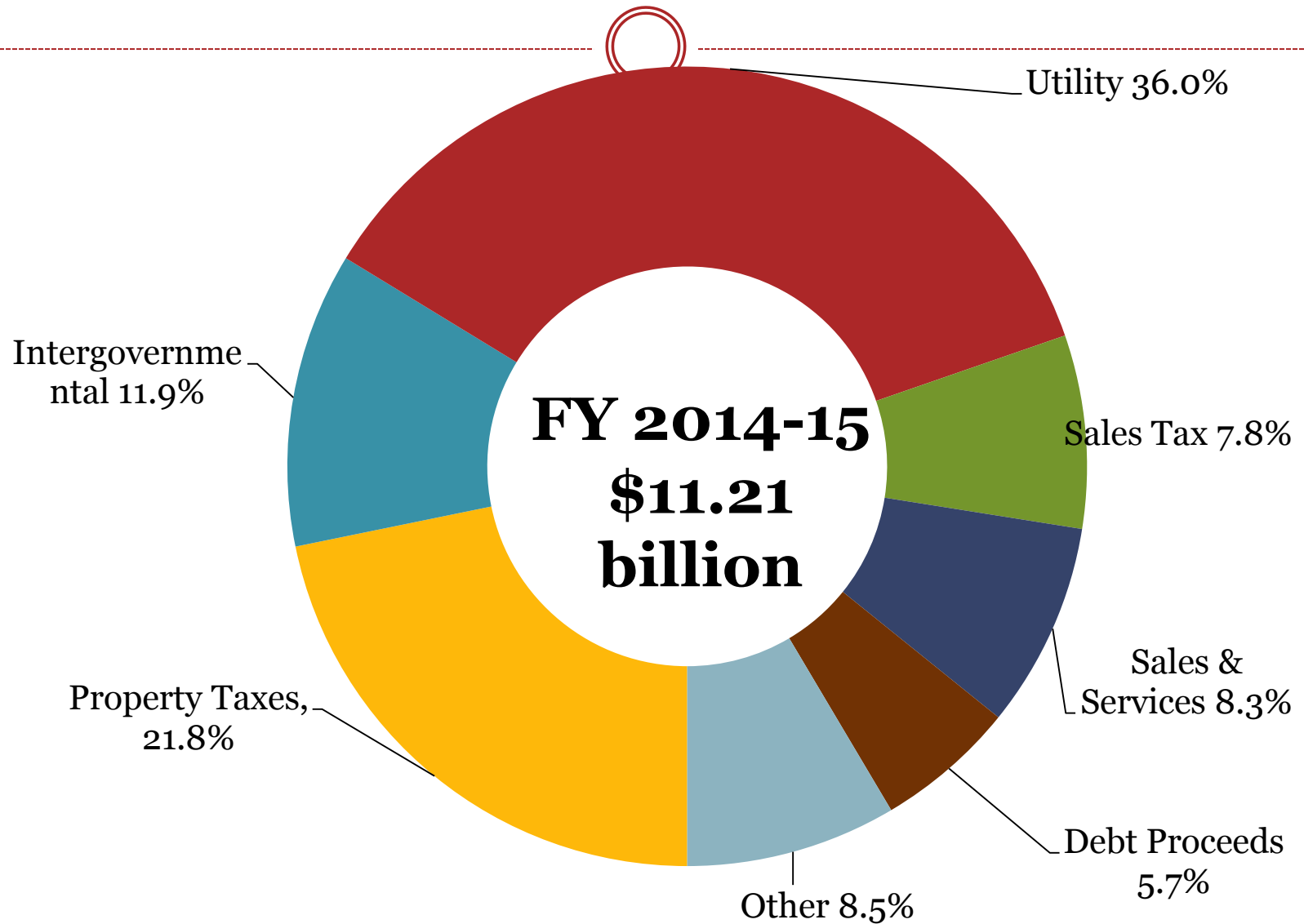


# County Revenue Sources



Source: Dept. of State Treasurer; 87 counties reporting.

# Municipal Revenue Sources



Source: Dept. of State Treasurer; 87 counties reporting.

# Local Revenue Capacity



- Measures of Revenue Capacity
  - Per Capita Income
  - Median Household Income
  - Per Pupil Tax Base
  - Property Tax Revenue per Penny
  - Sales Tax Revenue per Penny
- Variations in Local Economic Conditions
  - Counties with low revenue capacity require higher property tax rates to meet expenditure requirements.

# North Carolina County Property Tax Rates (FY 2014-15)

